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December 20, 2018

### VIA HAND DELIVERY AND ECFS

Ms. Marlene H. Dortch, Secretary Federal Communications Commission 445 12th Street, SW Washington, DC 20554

Re: Request for Highly Confidential Treatment – Applications of Securus Technologies, Inc. and Inmate Calling Solutions, LLC d/b/a ICSolutions for Consent to the Transfer of Control of Licenses and Authorizations – WC Docket No. 18-193

Dear Ms. Dortch:

Securus Technologies, Inc. ("STI") hereby provides the enclosed Notice of Oral Ex Parte Presentation ("Notice") and electronic media following a telephonic meeting held on December 18, 2018 with members of the Federal Communications Commission ("FCC" or "Commission") Staff identified in the Notice. Enclosed please find the Notice and one disk containing STI's updated spreadsheet in response to specification 19 of the Commission's September 11, 2018 Information and Document Requests in the above-referenced docket.<sup>1</sup>

This filing contains information that is properly designated as Highly Confidential Information under the Protective Order in the above-referenced docket.<sup>2</sup> In accordance with

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<sup>&</sup>lt;sup>1</sup> Letter from Lisa Hone, Deputy Chief, Wireline Competition Bureau, FCC, to Paul C. Besozzi and Peter M. Bean, Squire Patton Boggs (US) LLP, Counsel for Securus Technologies, Inc., and Howard M. Liberman and Jennifer L. Kostyu, Wilkinson Barker Knauer, LLP, Counsel for TKC Holdings, Inc. and Inmate Calling Solutions, LLC d/b/a ICSolutions, WC Docket No. 18-193, DA 18-939 (dated Sept. 11, 2018) ("Information Requests").

<sup>&</sup>lt;sup>2</sup> In the Matter of TKC Holdings, Inc., Transferor, Inmate Calling Solutions, LLC d/b/a ICSolutions, Licensee, and Securus Technologies, Inc., Transferee, Consolidated Applications for Consent to Transfer Control of Domestic and International Authorizations Pursuant to Section

<sup>47</sup> Offices in 20 Countries

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paragraph 3 of the Protective Order, STI has received the written approval of the Commission Staff to designate the information provided herewith as Highly Confidential and the enclosed information has been labeled "HIGHLY CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NO. 18-193 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION" in accordance with paragraph 5 of the Protective Order.<sup>3</sup> Pursuant to the procedures set forth in the Information Requests and the Protective Order, a copy of the Highly Confidential filing, including the disk, is being provided to the Secretary's Office. Two copies of the Highly Confidential filing, including the disk, are being provided to Jodie May and Michael Ray of the Commission's Staff. Separately, a redacted copy of this filing labeled "REDACTED – FOR PUBLIC INSPECTION" is being filed electronically through the Commission's Electronic Comment Filing System in the above-referenced docket.<sup>4</sup>

STI has made a diligent effort to ensure that none of the documents being produced herewith is privileged under the attorney-client privilege or the attorney work product doctrine. To the extent that any privileged documents may have been inadvertently produced, such production does not constitute a waiver of any applicable privilege. STI requests that any privileged documents inadvertently produced be returned to STI as soon as the inadvertent production is discovered by any party, and reserves all rights to seek return of any such documents.

In support of this request for treatment of the enclosed information as Highly Confidential Information, STI provides the following information:<sup>5</sup>

## (1) Identification of the specific information for which confidential treatment is sought

STI hereby seeks Highly Confidential treatment of the information after the notation \*\*\*BEGIN HIGHLY CONFIDENTIAL INFORMATION\*\*\*and before the notation \*\*\*END HIGHLY CONFIDENTIAL INFORMATION\*\*\*as well as for all of the documents and information provided on the enclosed disk. This information is properly designated as Highly Confidential Information under one or more of the categories in Appendix A of the Protective Order.<sup>6</sup>

<sup>214</sup> of the Communications Act of 1934, as Amended, Protective Order, WC Docket No. 18-193, DA 18-938 (rel. Sept. 11, 2018) ("Protective Order").

 $<sup>^{3}</sup>$  *Id.* ¶¶ 3, 5.

<sup>&</sup>lt;sup>4</sup> *Id*. ¶ 5.

<sup>&</sup>lt;sup>5</sup> 47 C.F.R. § 0.459(b).

<sup>&</sup>lt;sup>6</sup> Protective Order Appendix A.

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## (2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission

The information is provided in connection with questions posed to STI by the Commission Staff during the telephonic meeting of December 18, 2018 and the Information Requests issued by the Wireline Competition Bureau in WC Docket No. 18-193.

## (3) Explanation of the degree to which the information is commercial or financial or contains a trade secret or is privileged

As explained to the Commission Staff, the subject information fits into one or more of the categories listed in Appendix A of the Protective Order, including categories 1-4 and 6-7.7 Additionally, the information provided constitutes proprietary commercial and business information or confidential material not routinely available for public inspection under Exemption 4 of the Freedom of Information Act ("FOIA").8 STI hereby requests that such information be treated as Highly Confidential Information under the Protective Order and not be made routinely available for public inspection.

## (4) Explanation of the degree to which the information concerns a service that is subject to competition

The Highly Confidential Information pertains to STI's provision of inmate telephone calling and related services ("ITS"), a nationwide competitive service.

# (5) Explanation of how disclosure of the information could result in substantial competitive harm

Disclosure of the Highly Confidential Information to the public or to competitors of STI would "allow those persons to gain a significant advantage in the marketplace or negotiations." The presence of competitors in the ITS market and the likelihood of competitive injury to STI threatened by release of this information should compel the Commission to withhold the information designated as Highly Confidential Information from public disclosure. The Commission has provided assurances that it is "sensitive to ensuring that the fulfillment of its

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 $<sup>^{7}</sup>$  Id.

<sup>&</sup>lt;sup>8</sup> 5 U.S.C. § 552(b)(4); 47 C.F.R. § 0.457.

<sup>&</sup>lt;sup>9</sup> Protective Order ¶ 2.

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regulatory responsibilities does not result in the unnecessary disclosure of information that might put its regulatees at a competitive disadvantage."<sup>10</sup>

## (6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure

In order to prevent unauthorized disclosure of the subject information, STI is hereby submitting a request that the subject information be treated as Highly Confidential Information indefinitely, and STI has obtained the Commission Staff's written approval to designate the subject information as Highly Confidential Information pursuant to paragraph 3 of the Protective Order. STI takes routine measures to ensure the confidentiality of this information during normal business operations, including instructing its employees and contracting partners not to disclose such information outside of STI, and restricting access to this information internally.

## (7) Identification of whether information is available to the public and the extent of any previous disclosure of the information to third parties

The subject information is not ordinarily available to the public or to any third parties.

## (8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure

As described above, the subject information contains highly sensitive information within one or more of the categories set forth in Appendix A of the Protective Order and constitutes proprietary commercial and business information or confidential material not routinely available for public inspection under Exemption 4 of the FOIA. Disclosure of this information would cause significant competitive injury to STI if disclosed. For this reason, STI respectfully requests that the Commission protect this information from public disclosure indefinitely.

## (9) Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidentiality should be granted

As the subject information is being submitted voluntarily, STI requests that, in the event that the Commission denies STI's request for confidentiality, the Commission return the materials without consideration of the contents therein.

<sup>&</sup>lt;sup>10</sup> In the Matter of Examination of Current Policy Concerning the Treatment of Confidential Information Submitted to the Commission, Report and Order, GC Docket No. 96-55, FCC 98-184, 13 FCC Rcd 24816, ¶ 8 (rel. Aug. 4, 1998).

<sup>&</sup>lt;sup>11</sup> Protective Order ¶ 3.

<sup>&</sup>lt;sup>12</sup> 5 U.S.C. § 552(b)(4); 47 C.F.R. § 0.457.

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Please contact the undersigned should you have any questions concerning the foregoing.

Respectfully submitted,

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Counsel for STI

Enclosure

cc:

Jodie May Michael Ray

**Notice of Oral Ex Parte Presentation** 



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Re: Notice of Oral Ex Parte Presentation – Applications of Securus Technologies, Inc. and Inmate Calling Solutions, LLC d/b/a ICSolutions for Consent to the Transfer of Control of Licenses and Authorizations – WC Docket No. 18-193

Dear Ms. Dortch:

On December 18, 2018, representatives of Securus Technologies, Inc. ("STI"), Inmate Calling Solutions, LLC d/b/a ICSolutions ("ICS," and together with STI, "Applicants"), Keefe Group, LLC ("Keefe"), and TKC Holdings, Inc. ("TKC")¹ met telephonically with the Federal Communications Commission ("FCC" or "Commission") Staff listed in Exhibit A from the (1) Wireline Competition Bureau ("WCB"), including Staff from the Office of the Bureau Chief, the Competition Policy Division ("CPD"), and the Pricing Policy Division ("PPD") and (2) the Office of General Counsel ("OGC") to discuss the status of the above-referenced application following the Applicants' December 12, 2018 submissions.²

47 Offices in 20 Countries

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<sup>&</sup>lt;sup>1</sup> The representatives were: Dennis Reinhold, Senior Vice President and General Counsel of STI, Paul Besozzi and Peter Bean of Squire Patton Boggs (US) LLP, outside regulatory counsel for STI, Ryan Kantor of Morgan, Lewis & Bockius LLP, outside antitrust counsel for STI, Nathan Schulte, President of Keefe, Tim McAteer, President and General Manager of ICS, Alex Lee, General Counsel of TKC, Howard Liberman and Jennifer Kostyu of Wilkinson Barker Knauer, LLP, outside regulatory counsel for ICS and TKC, and Nicholas Gaglio and Susan Zhu of Axinn, Veltrop & Harkrider LLP, outside antitrust counsel for ICS.

<sup>&</sup>lt;sup>2</sup> See Securus Technologies, Inc., Ex Parte Submission, WC Docket No. 18-193 (filed Dec. 12, 2018); Inmate Calling Solutions, LLC d/b/a ICSolutions, Revised Response to Information Request, WC Docket No. 18-193 (filed Dec. 12, 2018).

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Following a brief introduction and inquiry regarding the status of the Commission's review of the transaction, representatives for STI and ICS responded to Staff questions concerning certain information submitted in response to specification 19 in the Commission's September 11, 2018 Information and Document Requests<sup>3</sup> and in their December 12, 2018 submissions, with the questions primarily addressed to STI.

Specifically, the Staff asked that STI confirm that the specification 19 spreadsheet information\*\*\*BEGIN HIGHLY CONFIDENTIAL INFORMATION\*\*\*

\*\*\*END HIGHLY CONFIDENTIAL INFORMATION\*\*\*provided in the December 12, 2018 ex parte submission\*\*\*BEGIN HIGHLY CONFIDENTIAL INFORMATION\*\*\*
\*\*\*END HIGHLY CONFIDENTIAL INFORMATION\*\*\*STI hereby confirms that this is correct. STI also confirms that\*\*\*BEGIN HIGHLY CONFIDENTIAL INFORMATION\*\*\*
\*\*\*END HIGHLY CONFIDENTIAL INFORMATION\*\*\*provided to the Commission on December 12, 2018\*\*\*BEGIN HIGHLY CONFIDENTIAL INFORMATION\*\*\*

\*\*\*END HIGHLY CONFIDENTIAL INFORMATION\*\*\*In response to the Staff's questions,\*\*\*BEGIN HIGHLY CONFIDENTIAL INFORMATION\*\*\* \*\*\*END HIGHLY CONFIDENTIAL INFORMATION\*\*\*The Staff also asked that STI provide further detail regarding how various factors are used to calculate the information shown.\*\*\*BEGIN HIGHLY CONFIDENTIAL INFORMATION\*\*\*

## \*\*\*END HIGHLY CONFIDENTIAL INFORMATION\*\*\*

The Staff also asked that STI provide certain clarifications regarding\*\*\*BEGIN HIGHLY CONFIDENTIAL INFORMATION\*\*\* \*\*\*END HIGHLY CONFIDENTIAL INFORMATION\*\*\*STI hereby provides an updated spreadsheet on the attached disk to reflect these clarifications and updates. In addition, STI has reviewed\*\*\*BEGIN HIGHLY

18-939 (dated Sept. 11, 2018) ("Information Requests").

<sup>&</sup>lt;sup>3</sup> Letter from Lisa Hone, Deputy Chief, Wireline Competition Bureau, FCC, to Paul C. Besozzi and Peter M. Bean, Squire Patton Boggs (US) LLP, Counsel for Securus Technologies, Inc., and Howard M. Liberman and Jennifer L. Kostyu, Wilkinson Barker Knauer, LLP, Counsel for TKC Holdings, Inc. and Inmate Calling Solutions, LLC d/b/a ICSolutions, WC Docket No. 18-193, DA

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## **CONFIDENTIAL INFORMATION\*\*\***

## \*\*\*END HIGHLY CONFIDENTIAL INFORMATION\*\*\*

As noted by the Applicants during the meeting, because bidding on inmate telephone service contracts is generally blind bidding (i.e., bidders are often unaware of the identities of other bidders), the information available to bidders regarding the identities of other bidders is frequently imperfect and incomplete, especially in circumstances where a given bidder is not the winner, although the bidder may elect to pursue a post-award public records request of bid documents. This limitation applies to the information supplied in response to specification 19. As a result, the data provided in response thereto reflects only what STI and ICS are aware of given the frequent information gaps and asymmetries when it comes to bidding.<sup>4</sup>

Finally, there was a brief discussion of the status of state approvals for the transaction, potential closing dates, and the status of\*\*\*BEGIN HIGHLY CONFIDENTIAL INFORMATION\*\*\*

\*\*\*END HIGHLY CONFIDENTIAL INFORMATION\*\*\*

With the further information provided in this notice and in response to the Commission Staff's questions, Applicants respectfully again request that the Commission restart its informal 180-day shot clock associated with its review of this transaction, which has remained suspended since September 25, 2018.<sup>5</sup>

This notice is being filed pursuant to Section 1.1206(b) of the Commission's rules.<sup>6</sup> Please contact the undersigned should you have any questions concerning the foregoing.

<sup>&</sup>lt;sup>4</sup> For more information regarding the RFP process, please see Inmate Calling Solutions, LLC d/b/a ICSolutions, Revised Response to Information Request, WC Docket No. 18-193, at 6-8 and accompanying footnotes (filed Dec. 12, 2018).

<sup>&</sup>lt;sup>5</sup> See Letter from Kris Anne Monteith, Chief, Wireline Competition Bureau, FCC to Paul C. Besozzi and Peter M. Bean, Squire Patton Boggs (US) LLP, Counsel for Securus Technologies, Inc., and Howard M. Liberman and Jennifer L. Kostyu, Wilkinson Barker Knauer, LLP, Counsel for TKC Holdings, Inc. and Inmate Calling Solutions, LLC d/b/a ICSolutions, WC Docket No. 18-193, DA 18-990 (dated Sept. 26, 2018).

<sup>&</sup>lt;sup>6</sup> 47 C.F.R. § 1.1206(b).

Ms. Marlene H. Dortch December 20, 2018 Page 4

Respectfully submitted,

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Counsel for STI

Enclosure

cc: FCC Participants listed in Exhibit A

## Exhibit A

## **FCC Participants**

Terri Natoli, WCB, Office of the Bureau Chief Eric Ralph, WCB, Office of the Bureau Chief Jodie May, WCB, CPD Dennis Johnson, WCB, CPD Michael Ray, WCB, CPD Joseph Price, WCB, PPD Tavi Carare, WCB, PPD Jim Bird, Transaction Team, OGC Joel Rabinovitz, Transaction Team, OGC Bill Dever, Transaction Team, OGC

## STI updated specification 19 spreadsheet

STI's updated specification 19 spreadsheet is provided on the enclosed disk and is Highly Confidential in its entirety

[REDACTED]